Infrastructure Canada

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Departmental Performance Report (DPR)

2012–2013

The Honourable Denis Lebel, P.C., M.P.

Minister of Infrastructure, Communities and Intergovernmental Affairs and
Minister of the Economic Development Agency of Canada for the Regions of Quebec

Canada

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Table of Contents

MINISTER'S MESSAGE 5

SECTION I: ORGANIZATIONAL OVERVIEW 7

1.1 Raison d'être 7

1.2 Responsibilities 7

1.3 Strategic Outcomes and Program Alignment Architecture (PAA) 12

1.4 Organizational Priorities 13

1.5 Risk Analysis 16

1.6 Summary of Performance 20
1.6.1 Financial and Human Resources 21
1.6.2 Programs by Strategic Outcome and Actual Spending 21

1.7 Expenditure Profile 25
1.7.1 Expenditure Profile 25
1.7.2 Variations in Program Spending Trends 25

1.8 Estimates by Vote 26

1.9 Contribution to the Federal Sustainable Development Strategy 26

SECTION II: ANALYSIS OF PROGRAMS BY STRATEGIC OUTCOMES 29

2.1 Strategic Outcomes 29
2.1.1 Strategic Outcome 1 30
2.1.2 Strategic Outcome 2 31

2.2 Programs under Strategic Outcome 1 32
2.2.1 Program: Provincial-Territorial Infrastructure Base Fund 32
2.2.2 Program: Gas Tax Fund 34

2.3 Programs under Strategic Outcome 2 36
2.3.1 Program: Building Canada Fund-Communities Component 36
2.3.2 Program: Building Canada Fund-Major Infrastructure Component 38
2.3.3 Program: Green Infrastructure Fund 40
2.3.4 Program: Canada Strategic Infrastructure Fund 42
2.3.5 Program: Municipal Rural Infrastructure Fund 43
2.3.6 Program: Border Infrastructure Fund 45
2.3.7 Program: Economic Analysis and Research 46

2.4 Program: Internal Services 47

SECTION III: SUPPLEMENTARY INFORMATION 53

3.1 Financial Highlights 53

3.2 Financial Statements 53

3.3 Supplementary Information Tables 54

3.4 Tax Expenditures and Evaluations Report 54

SECTION IV: OTHER ITEMS OF INTEREST 55

4.1 Organizational Contact Information 55

Minister's Message

As Canada's Minister of Infrastructure, Communities and Intergovernmental Affairs, I am pleased to present Infrastructure Canada's Departmental Performance Report for 2012-2013. The report outlines the achievements of the Department over the past year, as it has delivered on the Government of Canada's commitments to support public infrastructure.

Canadians continue to benefit from investments in public infrastructure that create jobs and support a strong economy. There can be no doubt that these benefits are widespread and touch every community – since 2009, under the Economic Action Plan and the Building Canada Plan, the Department has invested in approximately 6,400 infrastructure projects across the country.

Over the past year, Infrastructure Canada has continued to work with its partners to ensure the sound stewardship of thousands of ongoing projects under existing programs. In total, Infrastructure Canada provided over $3.7 billion in critical funding to projects across the country. Over the past four years, Infrastructure Canada's funding programs further leveraged significant contributions from provinces, territories, municipalities and other stakeholders, resulting in cumulative commitments of more than $30 billion.

At the same time, we consulted with provincial and territorial partners and other stakeholders to inform the broad directions of a new long-term plan for public infrastructure. This included ministerial roundtable meetings across the country, bilateral meetings with provinces and territories, and written input from a variety of infrastructure stakeholders.

The Government of Canada listened to stakeholders. The New Building Canada Plan, combined with other federal infrastructure investments will result in $70 billion in federal infrastructure funding over 10 years, the largest federal investment in job-creating infrastructure in Canadian history. The New Building Canada Plan will provide provinces, territories and municipalities with long-term predictable funding for infrastructure priorities that support productivity, economic growth and stronger communities.

Looking forward, the Government of Canada will work with partners to deliver on this new Plan. Jobs and economic growth remain the Government's top priorities, and the investments we make in public infrastructure today will translate into the long-term prosperity of tomorrow.

The Honourable Denis Lebel, P.C., M.P.
Minister of Infrastructure, Communities and Intergovernmental Affairs and
Minister of the Economic Development Agency of Canada for the Regions of Quebec

Section I: Organizational Overview

1.1 Raison d'être

Strong, modern, world-class public infrastructure is a key factor in achieving the Government of Canada's priorities of a stronger economy, a cleaner environment, and more prosperous, safer communities. Infrastructure Canada leads the Government of Canada's efforts in addressing Canada's public infrastructure challenges.

1.2 Responsibilities

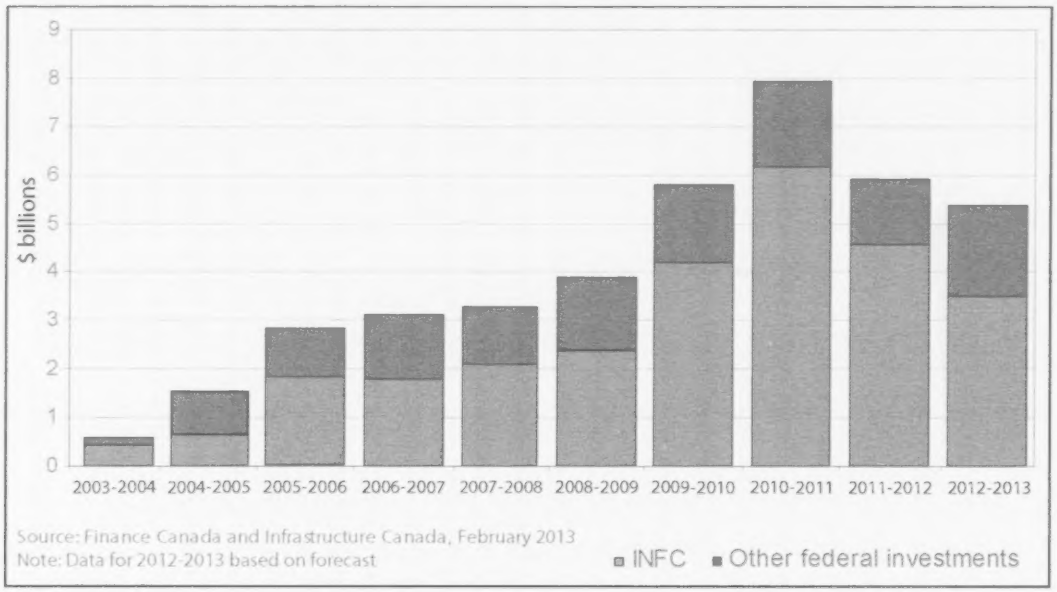
I. Overview

Infrastructure Canada is the main department responsible for federal efforts to enhance Canada's public infrastructure. This is accomplished through three main activities: investments in provincial, territorial and municipal assets; engagement in key partnerships with the provinces, territories, municipalities and the private sector; and the development and implementation of sound policies. Established in 2002, the Department ensures that Canadians benefit from world-class public infrastructure from coast to coast to coast.

The Government of Canada's investments in infrastructure over the past decade have leveraged funding from provinces, territories and municipalities, resulting in a significant overall increase in spending on municipally-owned, core public infrastructure as well as on provincial and territorial assets. Significant progress has been made. The average age of core public infrastructure is declining after years of trending upwards. From its peak of 16.9 years in 2000 to 2003, the average age of core public infrastructure declined to 14.7 years in 2011 and 14.3 years forecasted for 2012.

As shown in Figure 1, federal support for public infrastructure has increased significantly over the past decade. Infrastructure Canada is the key contributor of this federal support.

Figure 1: Federal Infrastructure Support for Provincial, Territorial and Municipal Infrastructure



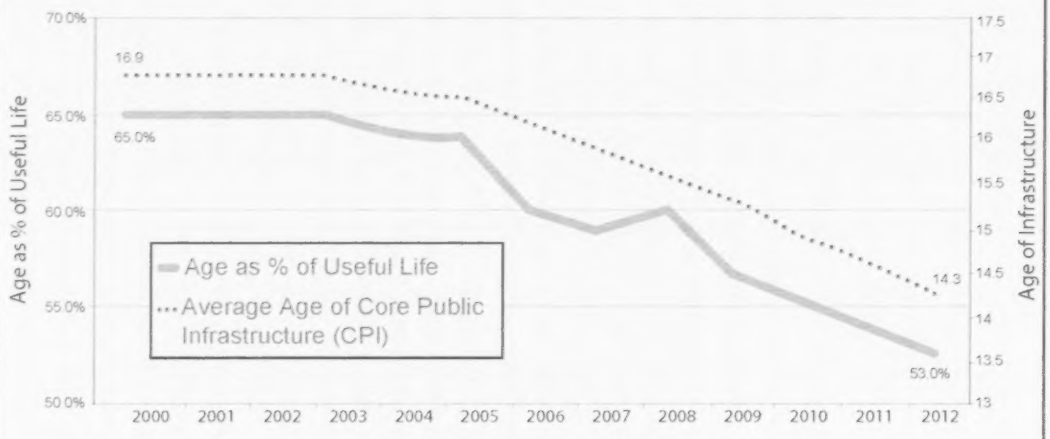
The Importance of Infrastructure Investment

Over the past 10 years, provincial, territorial and municipal governments, with funding support from the Government of Canada, have taken great strides in responding to investment needs and building for a prosperous Canada. The significant amount of recent investments, however, does not mean the work of Canada's three orders of government is complete. Across the country, investment is needed from all orders of government to maintain quality public infrastructure so Canada can remain competitive in the global marketplace.

Recent investments have contributed to the ongoing renewal and improvement of what Statistics Canada describes as Canada's core public infrastructure (CPI).[1] As seen in the chart below, much of Canada's core public infrastructure is nearing or is past the halfway mark of its expected service life. According to the data, the average age as a percentage of useful life of Canada's core public infrastructure peaked in 2000 to 2003 at 65 percent. Between 2003 and 2012, this fell to 53 percent, including a drop of more than seven percent between 2008 and 2012. The data suggests that over the last 12 years great advances have been made in bringing down the average age of infrastructure as a percentage of useful life.

1 Statistics Canada defines "core public infrastructure" as comprising the following asset categories: bridges, roads, water, wastewater, public transit, and cultural and recreational facilities.

Figure 2: Age as a Percentage of Useful Life of Core Public Infrastructure (CPI)



Source: Statistics Canada, National Economic Accounts Division
Core Public Infrastructure (CPI) includes bridges, roads, water, wastewater, transit, plus cultural and recreational facilities
Note: Data for 2012 based on forecast

In 2007, the Government of Canada launched the $33-billion Building Canada plan, the first ever federal long-term plan for infrastructure. Through the 2007 Building Canada plan, the Government of Canada is supporting thousands of projects that have given Canadians and communities access to better public infrastructure, and have strengthened the national economy.

In Economic Action Plan 2013, the Government indicated that it would develop a New Building Canada Plan to build roads, bridges, subways, commuter rail and other public infrastructure in cooperation with provinces, territories and municipalities. The New Building Canada Plan provides approximately $53 billion[2] in funding, including $47 billion in new funding under three key funds:

- Community Improvement Fund: $32.2 billion over 10 years;
- New Building Canada Fund: $14 billion over 10 years; and
- Renewed P3 Canada Fund: $1.25 billion over five years.

Starting in 2014-2015 the Government will provide a new 10-year funding commitment to provincial, territorial and municipal infrastructure. For Infrastructure Canada, under the Community Improvement Fund, this includes an indexed $2-billion annual Gas Tax Fund allocation ($21.8 billion over 10 years) providing a permanent source of long-term sustainable funding that municipalities can count on for their infrastructure needs. In Budget 2013, the Government indicated that it would develop a New Building Canada Fund of

2 The New Building Canada Plan provides approximately $53 billion, including $6 billion from existing program funding, e.g. funding under the Building Canada Fund – Major Infrastructure Component and $47 billion in new funding.

$14 billion to support major economic projects of national, regional and local significance. The New Building Canada Fund will be comprised of two components: a $4 billion National Infrastructure Component that will support investments in projects of national significance and a $10-billion Provincial-Territorial Infrastructure Component that will support projects of national, regional and local significance in communities across the country.

Project Spotlight: Nipigon Wastewater Treatment

Project Location: **Nipigon, Ontario**

Protecting Canada's largest freshwater lake

The Great Lakes Basin generates most of Ontario's power and water for domestic use and manufacturing. Committed to preserving these vital natural resources, the Government of Canada is investing in a number of water treatment improvement projects across the region. In Nipigon, funding was used to expand and upgrade the community's wastewater treatment plant to address water quality concerns. The renovated facility now incorporates a secondary treatment process to further reduce bacteria from the treated wastewater released into the environment.

Federal contribution:	$3,450,000 under the Building Canada Fund – Major Infrastructure Component.

Programs

Infrastructure Canada's current funding programs support local and regional infrastructure needs, while advancing national priorities. This, in turn, makes Canada's economy stronger, keeps people and goods on the move, and helps make our water and air cleaner. The Department delivers funding through three general mechanisms:[3]

Base Funding
Funding is directed to provincial, territorial and municipal governments, addressing priorities in every jurisdiction and supporting the restoration of fiscal balance. Through the **Provincial-Territorial Infrastructure Base Fund** ($2.3 billion announced in Budget 2007), each jurisdiction receives base funding to address their core infrastructure priorities. Through the **Gas Tax Fund** ($2 billion annually reconfirmed in Budget 2012), municipalities are provided with predictable funding to address local infrastructure priorities.
Targeted Programs
Building Canada Fund ($8.8 billion announced in Budget 2007) is largely delivered through two components, the *Communities Component*, oriented to projects in smaller communities, and the *Major Infrastructure* Component, oriented to larger infrastructure projects of national or regional significance. Infrastructure funding is also provided from the **Green Infrastructure Fund** ($1 billion announced in Budget 2009), oriented to projects that improve the environment and the economy.
Competitive Economy
Cleaner Environment
Liveable Communities
Sunsetting Programs
Other programs include: the **Canada Strategic Infrastructure Fund** ($4.3 billion, announced in the 2001 and 2003 Budgets), supporting larger projects that sustain economic growth and improve quality of life; the **Municipal Rural Infrastructure Fund** ($1.2 billion announced in Budget 2003 and augmented in 2006), enhancing liveability through small scale municipal projects in urban and rural communities; and the **Border Infrastructure Fund** ($600 million announced in Budget 2001), investing in physical and transportation system infrastructure and improved analytical capacity at border crossings.

Building Canada Plan: 2007-2014 ($33 billion) *original*	
Base Funding	**Municipal Base ($17.6 billion)** *Gas Tax Fund $11.8 billion *GST Rebate $5.8 billion **Provincial-Territorial Base Fund ($2.275 billion)**
Target Funding	**Building Canada Fund ($8.8 billion)** **Gateways and Border Crossings Fund ($2.1 billion)** *Transport Canada* **Asia-Pacific Gateway ($1 billion)** *Transport Canada* **Public-Private Partneships (P3) Fund ($1.25 billion)** *PPP Canada*

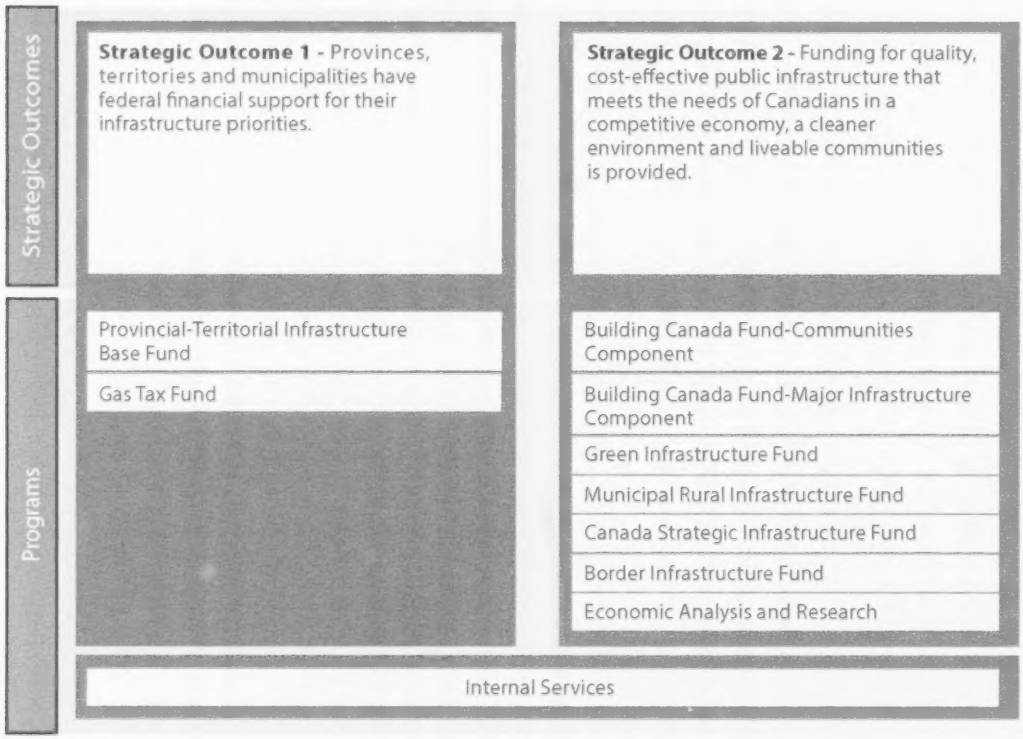
3 Allocations for Transfer Payment Programs presented on this page are original allocations and do not reflect transfers out.

1.3 Strategic Outcomes and Program Alignment Architecture (PAA)

In 2012-2013, Infrastructure Canada's Program Alignment Architecture (PAA) structure included two active strategic outcomes comprised of nine active programs and Internal Services, as detailed in Figure 3 and discussed in detail in Section II of this report.[4]

Strategic Outcome 1 provides federal transfers to provincial, territorial and municipal governments for their infrastructure priorities to help maintain a high level of quality core public infrastructure across the country. Strategic Outcome 2 provides cost-shared infrastructure investments to address federal, provincial and territorial priorities in large and small communities as well as large strategic investments of national and regional benefit. With the exception of the Gas Tax Fund, all programs require cost-sharing with partners, primarily other levels of government. All programs result in the construction and enhancement of public infrastructure, while contributing to broad federal government objectives of a competitive economy, a cleaner environment and liveable communities. These program design features are reflected in the Department's performance measurement approach.

Figure 3: Program Activity Architecture (PAA)


Strategic Outcomes
Strategic Outcome 1 - Provinces, territories and municipalities have federal financial support for their infrastructure priorities.
Strategic Outcome 2 - Funding for quality, cost-effective public infrastructure that meets the needs of Canadians in a competitive economy, a cleaner environment and liveable communities is provided.
Programs
Provincial-Territorial Infrastructure Base Fund
Gas Tax Fund
Building Canada Fund-Communities Component
Building Canada Fund-Major Infrastructure Component
Green Infrastructure Fund
Municipal Rural Infrastructure Fund
Canada Strategic Infrastructure Fund
Border Infrastructure Fund
Economic Analysis and Research
Internal Services

4 The Policy on Management, Resources and Results Structures (MRRS) underwent some changes which took effect on April 1, 2012. Updates have been made to the MRRS nomenclature. Specifically, "Program Activity Architecture" became "Program Alignment Architecture", "Program Activity" became "Program", "Sub-Activity" became "Sub-Program", and "Sub-Sub-Activity" became "Sub-Sub-Program".

1.4 Organizational Priorities

Four key organizational priorities guided the Department's work in 2012-2013:

- To work with provinces, territories, the Federation of Canadian Municipalities and other stakeholders to develop a future long-term plan for public infrastructure that extends beyond the expiry of the Building Canada plan;
- To continue to implement, with sound management and accountability, core infrastructure programs and projects;
- To continue to make improvements to information management systems, ensuring accurate, flexible and effective data and information, to report on contribution programs; and
- To maximize operational efficiencies in the continued effective delivery of the departmental mandate.

Summary of Progress Against Priorities

Priority	Type[5]	Strategic Outcome(s) and/or Program
Work with provinces, territories, the Federation of Canadian Municipalities and other stakeholders to develop a future long-term plan for public infrastructure that extends beyond the expiry of the Building Canada plan.	New	• Strategic Outcome 1: Provinces, territories and municipalities have federal financial support for their infrastructure priorities. • Strategic Outcome 2: Funding for quality, cost-effective public infrastructure that meets the needs of Canadians in a competitive economy, a cleaner environment and liveable communities is provided.

- Over the summer of 2012, Infrastructure Canada led a long-term plan engagement process, meeting with provinces, territories, municipalities, municipal associations and other stakeholders to reflect on past accomplishments, to build knowledge, and to discuss the broad principles of a future long-term plan. This work included a series of 14 ministerial roundtable meetings held across the country, bilateral meetings with provinces and territories at the officials' level, and an invitation for interested parties to provide written submissions on the plan. As part of this process, nearly 700 partners and stakeholders provided input to help inform the broad directions of a new long-term infrastructure plan.
- Following the conclusion of the engagement process, Economic Action Plan 2013 announced the New Building Canada Plan, a 10-year funding commitment for infrastructure. beginning in 2014-2015. It includes over $53 billion in new and existing funding for provinces, territories and municipalities that will be administered through three funds: the $32.2 billion Community Improvement Fund; the $14 billion Building Canada Fund and the $1.25 billion P3 Fund.
- The New Building Canada Plan will provide provinces, territories and municipalities with long-term predictable funding to support their infrastructure priorities, including those that support productivity, economic growth and stronger communities. Infrastructure Canada is currently developing the program parameters for new funding to be delivered under the Plan.

5 Type is defined as follows: **previously committed to**—committed to in the first or second fiscal year prior to the subject year of the report; **ongoing**—committed to at least three fiscal years prior to the subject year of the report; and **new**—newly committed to in the reporting year of the Report on Plans and Priorities (RPP).

Priority	Type	Strategic Outcome(s) and/or Program
Continue to implement, with sound management and accountability, core infrastructure programs and projects.	Ongoing	• Strategic Outcome 1: Provinces, territories and municipalities have federal financial support for their infrastructure priorities. • Strategic Outcome 2: Funding for quality, cost-effective public infrastructure that meets the needs of Canadians in a competitive economy, a cleaner environment and liveable communities is provided.

Throughout 2012-2013, the Department continued to effectively and efficiently manage and implement its suite of programs. While many of the programs had limited funding remaining to be committed in 2012-2013, Infrastructure Canada continued to focus on program management practices such as monitoring, project implementation and ensuring claim payments. Meanwhile closure practices for sunsetting programs were developed and implemented in order to support departmental readiness for any future audit or program evaluation.

Infrastructure Canada continues to build strong relationships with partners, a practice that has resulted in more reliable data, improved financial forecasting practices and better overall project implementation for the Department.

To streamline and perform its duties more efficiently, the Department repatriated the project management responsibilities of the remaining projects under the Canada Strategic Infrastructure Fund (CSIF) from most of its federal delivery partners.

Priority	Type	Strategic Outcome(s) and/or Program
Continue to make improvements to information management systems, ensuring accurate, flexible and effective data and information, to report on contribution programs.	Previously committed to	• Strategic Outcome 1: Provinces, territories and municipalities have federal financial support for their infrastructure priorities. • Strategic Outcome 2: Funding for quality, cost-effective public infrastructure that meets the needs of Canadians in a competitive economy, a cleaner environment and liveable communities is provided.

In 2012-2013, the Department initiated key projects to improve the Shared Information Management System for Infrastructure (SIMSI) which is used to support the management and delivery of Infrastructure Canada's programs. The first of these projects involved the re-engineering of the Department's data warehouse to improve data quality, enhance cross-program reporting, and contribute to technology sustainability all while reducing ongoing maintenance costs. In addition to this, the Department began work on a project to extend the existing Financial Planning and Analysis Application to accommodate a project management module that will help Infrastructure Canada avoid data duplication, improve usability of the system, and support reporting activities. These projects are all expected to be completed by the Information Management/Information Technology (IM/IT) Division in fiscal year 2013-2014, and will involve significant user/owner engagement and oversight by a number of departmental committees.

Priority	Type	Strategic Outcome(s) and/or Program
Maximize operational efficiencies in continued effective delivery of the departmental mandate.	New	• Strategic Outcome 1: Provinces, territories and municipalities have federal financial support for their infrastructure priorities. • Strategic Outcome 2: Funding for quality, cost-effective public infrastructure that meets the needs of Canadians in a competitive economy, a cleaner environment and liveable communities is provided.

Since Infrastructure Canada does not have a regular and ongoing level of A-Base funding for departmental operational costs (i.e. salaries, operations and maintenance) it was not subject to the 2011 Strategic and Operating Review exercise. Within the context of reduced spending, however, the Department took measures to cut costs, reduce spending and maximize operational efficiencies, all of which are consistent with the 2011 Strategic and Operating Review objectives, to ensure value for Canadians.

Infrastructure Canada was asked to deliver its programs with $5M less in operating funding in 2012-2013. As a result cost savings were realized from two main activities: the deferring or cancellation of departmental information technology projects, and staff reductions through the Workforce Adjustment (WFA) process. In the former case, plans to develop several elements of a departmental information management system were cancelled pending the availability of the new government-wide document management solution called GCDocs, and some less critical improvements to the Shared Information Management System for Infrastructure (SIMSI) were deferred. Another cost saving decision was made to delay the evergreening of computers from three to five years, which not only eliminated expenditures in the short term but also reduced annual expenditures by stretching replacements over a longer period. The Department continues to work closely with Shared Services Canada (SSC) for the migration of hosted software applications from a private sector company to government servers.

In the case of staff reductions, after a careful review of non-salary expenditures, the Department reviewed Full-Time Equivalent (FTE) levels to obtain operational efficiencies. In early 2012, each function and the associated number of FTE requirements were analysed based on a previous business case for the Department's operating budget. Approximately six percent of staff (20 FTEs) were identified. Nearly all employees that were declared surplus have found employment elsewhere through the alternation process or deployments, or have formally selected their option under the Workforce Adjustment (WFA) agreements/directives.

1.5 Risk Analysis

Risk	Risk Response Strategy	Link to Program Alignment Architecture	Link to Organizational Priorities
Infrastructure Canada may be unable to quickly and effectively address information management and information technology challenges for new programs over the planning period.	• In the 2012-13 RPP, the risk was described as *Infrastructure Canada's information management systems and technology may not be sufficiently flexible in responding to the management of its infrastructure programs delivery and reporting requirements on a timely basis.* • The focus of risk responses has shifted from program delivery and reporting requirements to ensuring readiness for new infrastructure programs and the timely delivery of IM/IT solutions. • The development of a new governance framework for the Shared Information Management System for Infrastructure (SIMSI) and the finalization of a long-term SIMSI Strategic Plan have produced positive results in meeting organizational and business needs. • Both the Major Infrastructure Program Renewal project and the Enterprise Data Warehouse Re-Engineering projects were approved in May 2012 and are well underway. • Further, the Department is fostering a strong relationship with Shared Services Canada to ensure it is ready for new infrastructure programs and can continue the delivery of timely IM/IT solutions.	**Strategic Outcome 1:** Provinces, territories and municipalities have federal financial support for their infrastructure priorities. **Strategic Outcome 2:** Funding for quality, cost-effective public infrastructure that meets the needs of Canadians in a competitive economy, a cleaner environment and liveable communities is provided.	Continue to make improvements to information management systems, ensuring accurate, flexible and effective data and information, to report on contribution programs. Maximize operational efficiencies in continued effective delivery of departmental mandate.

Risk	Risk Response Strategy	Link to Program Alignment Architecture	Link to Organizational Priorities
Infrastructure Canada may not have timely and quality information and data from which to generate reports on results and performance.	• In the 2012-13 RPP, the risk was described as *Infrastructure Canada may not have the information to generate timely reports on results and performance.* The focus has shifted from getting information to getting timely and quality information. • The Department has established data management processes and governance structures for data quality and integrity including an on-line lexicon that promotes a common understanding of key terms used in data entry. • The Department's Program Alignment Architecture and Performance Measurement Framework are currently being updated to strengthen departmental planning and reporting to be more compliant with the Policy on Management of Resources and Results Structures (MRRS). • Performance Measurement Strategies have been updated for four infrastructure investment programs while updates for the remaining programs are currently under development. These ensure that each program is assessed and monitored to support decision making throughout the program implementation process and supports the Department's strong commitment to achieving infrastructure investment results.	**Strategic Outcome 1:** Provinces, territories and municipalities have federal financial support for their infrastructure priorities. **Strategic Outcome 2:** Funding for quality, cost-effective public infrastructure that meets the needs of Canadians in a competitive economy, a cleaner environment and liveable communities is provided.	Continue to implement, with sound management and accountability, core infrastructure programs and projects. Continue to make improvements to information management systems, ensuring accurate, flexible and effective data and information, to report on contribution programs.

Risk	Risk Response Strategy	Link to Program Alignment Architecture	Link to Organizational Priorities
Infrastructure Canada may not be able to deliver on project funding commitments if transfer payment re-profiles are not approved.	• In the 2012-13 RPP, the risk was described as *Infrastructure Canada's actual transfer payment expenses may be less than forecasted by partners thus requiring reprofiling of funds (i.e. transferring funding from one fiscal year to another).* • Since the risk responses in place have effectively mitigated the risk arising from addressing gap between actual transfer payment expenses and what partners forecast, the risk responses now focus on mitigating impact of not having reprofiles approved. • INFC rigorously examines financial reports every month, focusing more on high-risk programs and projects. The Department has implemented the Financial Planning and Analysis Application to enhance this ongoing monitoring and has introduced a new forecasting methodology that has helped to reduce the need for reprofiling. • INFC works continually with its partners to ensure that forecasts are as accurate as possible and that funding is profiled to meet their needs. However, due to the complex nature of infrastructure projects where legitimate delays may occur because of factors such as environmental assessments, weather, and shortages in materials and labour, there is still a potential for funding lapses to occur. This is because federal funding does not actually flow to contribution recipients until they have submitted claims for actual costs incurred – a key risk management approach that ensures INFC only makes reimbursements for work that has already been completed.	**Strategic Outcome 1:** Provinces, territories and municipalities have federal financial support for their infrastructure priorities. **Strategic Outcome 2:** Funding for quality, cost-effective public infrastructure that meets the needs of Canadians in a competitive economy, a cleaner environment and liveable communities is provided.	Continue to implement, with sound management and accountability, core infrastructure programs and projects.

As new environmental risk factors emerge, the Department applies a comprehensive approach to actively identify, assess and manage risks at the strategic, operational, program and project levels. This approach includes conducting regular environmental scans with direct participation of the Department's executives.

In the past, the Department was challenged to support rapidly evolving business needs by quickly adapting its technology solutions. More recently, the creation of Shared Services Canada and the upcoming expiry of a long-standing contract with a full-service information technology provider will change how Infrastructure Canada develops and delivers applications to manage Grants and Contributions (Gs&Cs). As we are in a transition period between the winding down of existing funding programs and the implementation of new programs, there is an opportunity for Infrastructure Canada to introduce measures that will ensure evolving business requirements are in place and ready to deliver new infrastructure programs. Further, the Government is taking a more restrictive approach to reviewing requests for reprofiling transfer payments. As such, reprofiling requests may not be approved as readily as in the past. This can result in the Department's failure to deliver on project funding commitments and negatively impact its reputation and ability to achieve its program objectives. As part of its efforts to manage this risk, the Department has introduced a new forecasting methodology that has helped to reduce the need for reprofiling by ensuring payment at year end is based only on claims on hand that are not processed whereas before it was based on recipients estimates on costs up to March 31 and not on concrete results that has led to over-estimates. The Department is also working diligently with its partners to enhance forecast accuracy. Finally, Infrastructure Canada has implemented risk responses that have effectively reduced the overall risk to the reporting of results and performance information and put in place measures that increased the timeliness and quality of the data required in reporting.

As such, the focus of risk responses is to ensure the following: departmental readiness for new infrastructure programs, continued delivery of timely IM/IT solutions, effectiveness of existing practices, and as required, development of new tools or practices. Overall, the risk responses have reduced the likelihood of the risks occurring and have mitigated the potential impact should the risks occur.

In 2013-2014, the Department will review and update its risks in the context of announcements made in Budget 2013 and any other significant changes that arise from environmental scans and progress made by the implementation of risk responses.

1.6 Summary of Performance

During 2012-2013, the Department focused on prudent stewardship, oversight of claims, close out of projects and project reporting as construction advanced on thousands of approved projects. The Department dedicated significant resources to ensure that all financial claims received from proponents were processed accurately and efficiently and reimbursed quickly. For those programs with available funding, Infrastructure Canada continued to work with partners to commit funds to priority projects and initiatives.

Overall, 2012-2013 was another successful year for the Department with over $3.7 billion in infrastructure funding flowed to provinces, territories and municipalities for their infrastructure priorities. In 2012-2013, Infrastructure Canada continued to make available $2 billion annually through the Gas Tax Fund, providing municipalities with predictable funding for projects that will encourage long-term planning practices.

Under the Provincial-Territorial Infrastructure Base Fund, the Department continued to approve Capital Plans, committing an additional $251 million in federal funding and leveraging $318 million from other partners for key investments in nationally and regionally significant projects that benefit all Canadians.

In 2012-2013, the Department continued to make investments towards the construction of public infrastructure, supporting a competitive economy, a cleaner environment and liveable communities. Over the past four years, Infrastructure Canada's funding programs further leveraged significant contributions from provinces, territories, municipalities and other stakeholders, resulting in cumulative commitments of more than $30 billion. These investments, supporting large and small projects from coast to coast to coast, strengthened public infrastructure while enabling and sustaining employment in communities across Canada.

During 2012-2013, Infrastructure Canada continued to work closely with partners across Canada to support thousands of provincial, territorial and municipal infrastructure projects under its funding programs, while continuing to lead the Government of Canada's efforts to enhance Canada's public infrastructure. Building on the federal government's commitment to advance work on a new long-term plan for public infrastructure, Infrastructure Canada led federal efforts to ensure Canadians benefit from world-class public infrastructure. Our investments support local and regional infrastructure needs while advancing national priorities. Infrastructure Canada consulted partners and other stakeholders, focusing on best practices, lessons learned, and how to ensure future infrastructure spending supports economic growth.

1.6.1 Financial and Human Resources

Infrastructure Canada's financial and human resources information over the reporting period are summarized in the two tables that follow.

Table 1: 2012-2013 Financial Resources – Total Departmental (in $ thousands)

Total Budgetary Expenditures (Main Estimates) 2012-2013	Planned Spending 2012-2013	Total Authorities (available for use) 2012-2013	Actual Spending (authorities used) 2012-2013	Difference (Planned vs. Actual Spending)
5,105,563	5,105,563	5,314,267	3,752,656	1,352,907[6]

Human Resources (Full-Time Equivalents – FTEs)

Planned 2012-2013	Actual 2012-2013	Difference 2012-2013
329	320	9

Infrastructure Canada's workforce is flexible and adaptable. Employees are readily reallocated as needed during the year to reflect specific requirements of funding programs, operational requirements and other government priorities. Operating funding is also allocated to the administration of individual programs on a similar basis.

Infrastructure Canada does not have a regular and ongoing level of A-Base funding for departmental operating costs (e.g. salaries, operations and maintenance). Up to the end of 2012-2013, the Department's entire operating budget has been sourced from its programs' funding envelopes, with annual funding for operational requirements fluctuating in response to the actual oversight and management necessary for active programs.

1.6.2 Programs by Strategic Outcome and Actual Spending

The performance summary table outlines the achieved results of the Strategic Outcomes, the actual spending under each departmental Program, as well as the alignment of these Programs to the Government of Canada outcomes. Infrastructure Canada works in partnership with provinces, territories and municipalities in order to meet these annual performance targets. As such, annual results are affected by both the performance of Infrastructure Canada, as well as its provincial, territorial and municipal partners. The Internal Services activities, which support the Department in meeting Government of Canada outcomes, are also presented in this table.

6 Planned Spending consists mainly of contribution amounts that are needed to meet the cash flow requirements of our partners. Spending can be slower than forecasted due to delays in planning and implementing projects (e.g., difficulties in securing local funding, project re-scoping, severe weather, labour shortages, environmental assessments), or partners do not submit claims to the federal government in a timely fashion.

Performance Summary Tables for Strategic Outcomes and Programs (in $ thousands)[7]

Strategic Outcome 1: Provinces, territories and municipalities have federal financial support for their infrastructure priorities

Programs	Total Budgetary Expendit. (Main Estimates 2012-2013)	Planned Spending			Total Authorities (available for use) 2012-2013	Actual Spending (authorities used)			Align't to Gov't of Canada Outcomes
		2012-2013	2013-2014	2014-2015		2012-2013	2011-2012	2010-2011	
Provincial-Territorial Infrast. Base Fund	233,392	233,392	265,490	0	348,007	237,611	188,695	437,548	Strong Economic Growth
Gas Tax Fund	1,976,118	1,976,118	1,976,236	2,000,070	2,098,118	1,966,919	2,206,246	1,752,697	Strong Economic Growth
Strategic Outcome 1 Sub-Total	**2,209,510**	**2,209,510**	**2,241,726**	**2,000,070**	**2,446,125**	**2,204,530**	**2,394,942**	**2,190,245**	

7 Totals may not add due to rounding.

Strategic Outcome 2: Funding for quality, cost-effective public infrastructure that meets the needs of Canadians in a competitive economy, a cleaner environment and liveable communities is provided

(in $ thousands)									
Programs	Total Budgetary Expendit. (Main Estimates 2012-2013)	Planned Spending			Total Authorities (available for use) 2012-2013	Actual Spending (authorities used)			Align't to Gov't of Canada Outcomes
		2012-2013	2013-2014	2014-2015		2012-2013	2011-2012	2010-2011	
Building Canada Fund-Communities Component	251,814	251,814	188,734	115,418	232,608	187,046	213,884	225,825	Strong Economic Growth
Building Canada Fund-Major Infrastructure Component	1,965,120	1,965,120	942,955	612,324	1,984,462	927,180	759,828	407,499	Strong Economic Growth
Green Infrastructure Fund	82,105	82,105	125,030	89,646	157,922	117,858	30,274	35,430	A Clean and Healthy Environment
Canada Strategic Infrastructure Fund	410,882	410,882	289,102	266,089	357,154	241,178	188,382	336,451	Strong Economic Growth
Municipal Rural Infrastructure Fund	96,550	96,550	78,763	0	58,471	36,719	88,043	146,646	Strong Economic Growth
Border Infrastructure Fund	41,838	41,838	22,965	51,032	28,782	8,099	35,042	67,881	Strong Economic Growth
Economic Analysis and Research	3,797	3,797	0	0	3,877	80	3,143	1,750	Innovative and Knowledge-Based Economy
Strategic Outcome 2 Sub-Total	**2,852,106**	**2,852,106**	**1,647,549**	**1,134,509**	**2,823,276**	**1,518,160**	**1,318,595**	**1,221,482**	

Strategic Outcome 3: Construction-ready infrastructure projects are provided with federal funding support[8]

(in $ thousands)									
Programs	Total Budgetary Expenditures (Main Estimates 2012-2013)	Planned Spending			Total Authorities (available for use) 2012-2013	Actual Spending (authorities used)			Align't to Gov't of Canada Outcomes
		2012-2013	2013-2014	2014-2015		2012-2013	2011-2012	2010-2011	
Infrastructure Stimulus Fund	0	0	0	0	0	0e	634,927	2,482,489	Strong Economic Growth
Building Canada Fund-Communities Component Top-Up	0	0	0	0	0	0	136,122	303,739	Strong Economic Growth
Support for the G-8 Summit (2010)	0	0	0	0	0	0	0	4,571	Strong Economic Growth
Strategic Outcome 3 Sub-Total	**0**	**0**	**0**	**0**	**0**	**0**	**771,049**	**2,790,799**	

Performance Summary Table for Internal Services (in $ thousands)

Programs	Total Budgetary Expenditures (Main Estimates 2012-2013)	Planned Spending			Total Authorities (available for use) 2012-2013	Actual Spending (authorities used)		
		2012-2013	2013-2014	2014-2015		2012-2013	2011-2012	2010-2011
Internal Services[9]	43,947	43,947	35,431	1,861	44,866	29,966[10]	55,525	49,265
Sub-Total	**43,947**	**43,947**	**35,431**	**1,861**	**44,866**	**29,966**	**55,525**	**49,265**

Total Performance Summary Table (in $ thousands)

Strategic Outcomes and Internal Services	Total Budgetary Expenditures (Main Estimates 2012-2013)	Planned Spending			Total Authorities (available for use) 2012-2013	Actual Spending (authorities used)		
		2012-2013	2013-2014	2014-2015		2012-2013	2011-2012	2010-2011
Total	5,105,563	5,105,563	3,924,706	3,136,440	5,314,267	3,752,656	4,540,110	6,251,791

8 There is no Planned Spending for the timely, targeted and temporary stimulus programs under this Strategic Outcome as they were completed prior to 2012-2013. They are included in this table only to document Actual Spending for fiscal years 2010-2011 and 2011-2012.

9 These amounts include operating funding for core administration and program delivery. Planned Spending for 2014-2015 only reflects opening balances. As Infrastructure Canada does not have a permanent source of operating budget, the amounts for 2014-2015 will be increased once the operating budget for this year is approved by Treasury Board.

10 Historically, amounts reported under Internal Services have included spending related to the Shared Information Management System for Infrastructure (SIMSI). In 2012-2013, spending related to the SIMSI was reported against the specific infrastructure programs that the technology directly supported.

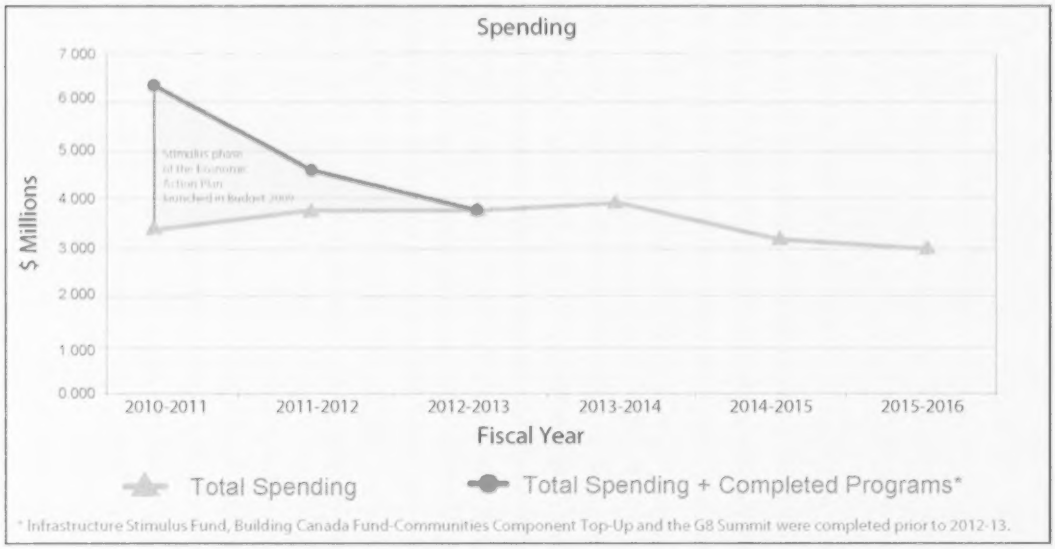
1.7 Expenditure Profile

1.7.1 Expenditure Profile

In 2012-2013, Infrastructure Canada spent over $3.7 billion on infrastructure investments to meet the expected results of its Programs and to contribute to its Strategic Outcomes.

Figure 4 represents the Department's planned and actual spending profile from 2010-2011 to 2012-2013. Spending related to the Economic Action Plan (EAP) started in 2009-2010 and continued until 2011-2012 (with exception of the Green Infrastructure Fund, which currently extends to 2018-2019).[11]

Figure 4: Departmental Spending Trend



Investment in strong, modern, world-class public infrastructure is a key element in achieving the Government of Canada's priorities of a stronger economy, a cleaner environment and more liveable communities. In 2012-2013, the Department's $3.7 billion in spending supported the construction of public infrastructure, strengthening the economies of many sectors and regions across the country.

1.7.2 Variations in Program Spending Trends

Figure 4 represents Infrastructure Canada's spending trend from 2010-2011 to 2012-2013. Beginning in 2009-2010, spending began to rise due to the Economic Action Plan (EAP) programs of 2009, peaking in 2010-2011 and then decreasing in 2011-2012 with the closing out of stimulus initiatives.

11 The funding profile under the Green Infrastructure Fund has been extended to March 31, 2019 to allow for the completion of projects with federal funding commitments.

While actual spending was lower than planned, 2012-2013 was another successful year for the Department with over $3.7 billion in infrastructure funding flowed to partners, a level higher than pre-EAP funding, leveraging additional contributions from funding partners. Fewer large-scale projects were completed than forecasted by project proponents during the reporting period as some large-scale projects funded under the Building Canada Fund – Major Infrastructure Component and Canada Strategic Infrastructure Fund experienced delays as a result of inclement weather, technical and other construction-related complexities.

1.8 Estimates by Vote

For information on Infrastructure Canada's Votes and/or statutory expenditures, please see the 2012-2013 Public Accounts of Canada (Volume II) publication. An electronic version of the Public Accounts is available on the Public Works and Government Services Canada/ Receiver General website at: http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html.

1.9 Contribution to the Federal Sustainable Development Strategy

The Federal Sustainable Development Strategy (FSDS) outlines the Government of Canada's commitment to improve the transparency of environmental decision making. The strategy outlines key strategic environmental goals and targets, and ensures that they are considered in decision making.

Although Infrastructure Canada is not one of the 27 departments required to table a Departmental Sustainable Development Strategy or to report on its contribution to the FSDS, it continues to play an important role in helping create a more sustainable future.

The Department's broad range of infrastructure programs supports thousands of projects across Canada that contribute to a cleaner environment in areas such as drinking water, wastewater, clean energy, public transit and brownfield redevelopment. Many of these infrastructure investments directly support two of the FSDS Themes:

1. Maintaining Water Quality and Availability
2. Addressing Climate Change and Air Quality

Beyond providing funding through federal infrastructure funding programs, Infrastructure Canada's measures support the FSDS' Theme 4, *Shrinking the Environmental Footprint – Beginning with Government.* The Department continues to implement its recent Greening Action Plan, which includes measures in green procurement, waste and energy reduction, and awareness and promotion. More details on our green procurement initiatives can be found in the Supplementary Information Tables on Greening Government Operations, on Infrastructure Canada's website at: http://www.infrastructure.gc.ca/pub/index-eng.html.

Strategic Environmental Assessment (SEA)

The *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals*[12] states that a SEA is required when the implementation of a proposal submitted to an individual minister or Cabinet for approval may result in important environmental effects, either positive or negative. To ensure that the Cabinet Directive is being met, the Department undertakes a preliminary scan to identify the potential for important environmental effects when preparing a Memorandum to Cabinet and for other policy, plan and program initiatives, as appropriate. Should the potential for significant environmental impacts be identified and/or there is a high level of uncertainty or risk associated with the proposal, a SEA is carried out. In 2012-2013 no important environmental effects, either positive or negative, were identified through any of the preliminary scans completed. As a result, no SEAs were required.

Project Spotlight: District Energy Sharing System

Project Location: **Prince George, British Columbia**

Harnessing waste to save energy – A city utility serving the downtown district

In Prince George seven downtown buildings are harnessing excess thermal energy produced at the nearby Lakeland Mill. Through the District Energy Sharing System, water is heated at the Mill using leftover wood pulp, a waste product that would otherwise have to be trucked off-site. The hot water is then piped underground and circulated through the heating systems of the community's civic centre, coliseum, City Hall, hotel pool, library and the Two Rivers Art Gallery. New emission control features were also installed. The Mill now has a smaller ecological footprint due to decreased trucking and a reduction in the use of fossil fuels.

Federal contribution:	$9,670,000 under the Gas Tax Fund.

12 Detailed information on the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals* can be found on the Canadian Environmental Assessment Agency's website at: http://www.ceaa.gc.ca/default.asp?lang=En&n=B3186435-1.

Section II: Analysis of Program Activities by Strategic Outcomes

2.1 Strategic Outcomes

Infrastructure Canada's Program Alignment Architecture (PAA) has two Strategic Outcomes (SO) and nine active Programs in support of its mandate. The information presented in this section is organized according to Infrastructure Canada's PAA structure:

1) ***Provinces, territories and municipalities have federal financial support for their infrastructure priorities.***
   Programs:
   - Provincial-Territorial Infrastructure Base Fund
   - Gas Tax Fund

2) ***Funding for quality, cost-effective public infrastructure that meets the needs of Canadians in a competitive economy, a cleaner environment and liveable communities is provided.***
   Programs:
   - Building Canada Fund-Communities Component
   - Building Canada Fund-Major Infrastructure Component
   - Green Infrastructure Fund
   - Canada Strategic Infrastructure Fund
   - Municipal Rural Infrastructure Fund
   - Border Infrastructure Fund
   - Economic Analysis and Research

Project Spotlight: Metro Transit Fleet

Project Location: **Halifax, Nova Scotia**

New eco-friendly buses for Halifax transit

With the recent addition of 22 new buses to the Metro Transit fleet, Halifax Regional Municipality (HRM) commuters are benefiting from improved transit services. The cleaner, quieter transit fleet means better air quality for residents. By investing in the public transit network, the HRM is not only contributing to its long-term economic growth and prosperity, but offering residents a safer, cleaner and more efficient commute.

Federal contribution:	$13,600,000 under the Gas Tax Fund.

2.1.1 Strategic Outcome 1

Provinces, territories and municipalities have federal financial support for their infrastructure priorities.

Under Strategic Outcome 1, the Gas Tax Fund (GTF) and the Provincial-Territorial Infrastructure Base Fund (PT Base) continue to provide stable, predictable funding for jurisdictions and offer them significant flexibility in funding their core infrastructure priorities.

Strategic Outcome 1: Provinces, territories and municipalities have federal financial support for their infrastructure priorities		
Performance Indicator	**Targets**	**Actual Result**
Public investment in infrastructure as a percentage of GDP (G7 and Euro countries)	G7 average	Rank #1 (2010 data)

Project Spotlight: Black Street Reconstruction

Project Location: **Whitehorse, Yukon**

Funding for infrastructure priorities in Yukon's capital

In recent years, parts of Black Street in Whitehorse's downtown core had deteriorated to the point of needing significant repairs. Today, the underground water infrastructure, wastewater and electrical utilities are restored, and the road base is new. An upgraded intersection, new sidewalks and much-needed street lighting have rejuvenated the streetscape. Improving the 'curb appeal' of the neighbourhood is a boon for businesses and residents, while increasing safety for motorists and pedestrians.

Federal contribution:	Yukon is receiving $182,910,000 through the Provincial-Territorial Base Fund for initiatives across the territory.

2.1.2 Strategic Outcome 2

Funding for quality, cost-effective public infrastructure that meets the needs of Canadians in a competitive economy, a cleaner environment and liveable communities is provided.

This Strategic Outcome reflects the Department's cost-shared infrastructure investment programs, including contribution programs like the Green Infrastructure Fund and the Building Canada Fund. The Department provides funding to partners for both large- and small-scale projects as well as those with national and regional benefits. Funding is leveraged from partners and invested in the construction, renewal and enhancement of infrastructure in communities across the nation. Performance indicators provided for contribution programs under Strategic Outcome 2 (SO2) are aligned with broader federal policy priorities, illustrating the relationship between benefits realized by Canadians as a result of Infrastructure Canada funded projects and the priorities of the federal government.

Strategic Outcome 2: Funding for quality, cost-effective public infrastructure that meets the needs of Canadians in a competitive economy, a cleaner environment and liveable communities is provided.		
Performance Indicators	**Targets**	**Actual Results**
Average age of core public infrastructure that contributes to a stronger economy is maintained or reduced.	**14.5 years** (includes the asset categories: national highway system and connecting bridge assets, international crossings)	**13.9 years** (2010 data)
Average age of core public infrastructure that promotes liveable communities is maintained or reduced.	**14.7 years** (includes the asset categories: cultural, recreational and sports infrastructure, local roads and bridges, water, transit)	**14.3 years** (2010 data)
Average age of core public infrastructure that contributes to a cleaner environment is maintained or reduced.	**17.1 years** (includes the asset category wastewater)	**16.8 years** (2010 data)

Project Spotlight: Autoroute 50 in Quebec

Project Location: **Quebec**

Long-awaited new route enhances Quebec travel

Until November 2012, Autoroute 50 had two distinct sections: one that ran eastward from Hull to Thurso; the other, westward from Mirabel to Notre-Dame-de-Bonsecours (Montebello). Thanks to the completion of 24 kilometres of new highway—including two interchanges, four overpasses, and two bridges—these two sections are now connected. The new highway gives motorists a direct connection from the Outaouais region to Greater Montreal and the rest of Quebec. Reducing commute times and facilitating the transportation of goods and services are among the many benefits this long-awaited project has brought to the region.

Federal contribution:	$38,000,000 under the Canada Strategic Infrastructure Fund.

2.2 Programs under Strategic Outcome 1

2.2.1 Program: Provincial-Territorial Infrastructure Base Fund 2012-2013 Main Estimates - $233,392,272

Predictable Funding for Provinces and Territories

Program Description:

This program provides $175 million in base funding to each province and territory for core infrastructure priorities. In addition, over $26 million in per capita funding under the Building Canada Fund for the three territories is managed under this fund. The Provincial-Territorial Infrastructure Base Fund was designed to help restore fiscal balance while enhancing Canada's public infrastructure system. It also supports economic competitiveness and productivity, and promotes cleaner air, water and land, and stronger and healthier communities. While payments are made to provinces and territories, ultimate recipients can also include local and regional governments or private sector bodies. In order for federal funding to flow, provinces and territories submit a list of infrastructure initiatives through a capital plan which must be accepted by the Minister of Infrastructure, Communities and Intergovernmental Affairs. Payments are made in advance and cost-sharing provisions apply to a capital plan as a whole, and not individual initiatives. Provinces and territories may pool, bank, or cash-manage these funds to give them flexibility in implementation.

Financial Resources (in $ thousands)

Total Budgetary Expenditures (Main Estimates 2012-2013)	Planned Spending 2012-2013	Total Authorities (available for use) 2012-2013	Actual Spending (authorities used) 2012-2013	Difference 2012-2013
5,105,563	233,392	348,007	237,611	(4,219)

Human Resources (Full-Time Equivalents (FTE))

Planned	Actual	Difference
2	2	0

Program Expected Results	Performance Indicators	Targets	Actual Results
Infrastructure Canada funding through the Provincial-Territorial Infrastructure Base Fund leverages investments in infrastructure by other partners	Funding leveraged from the provinces, and other partners, as a percentage of federal funding	100%	156%
	Funding leveraged from the territories, and other partners, as a percentage of federal funding	33%	49%
Recipient organizations are accountable for funding provided through the Provincial-Territorial Infrastructure Base Fund	Number of jurisdictions in compliance with annual expenditure reporting requirements in accordance with signed Funding Agreements	9	6
Capital plans submitted by the provinces and territories are accepted, allowing infrastructure initiatives to proceed	Number of capital plans accepted	3	4

Performance Analysis and Lessons Learned

Following the acceleration of the Provincial-Territorial Infrastructure Base Fund (PT Base Fund) as part of the 2009 Economic Action Plan, as of April 1, 2012 only $254 million remained to be committed under the program, which represents approximately 11 percent of the total $2.3 billion funding envelope.

Overall, four new capital plans and seven amended plans were approved during the reporting period, committing an additional $251 million in federal funding to 69 new initiatives and leveraging $318 million from partners. During the year, another three jurisdictions fully committed the balance of their PT Base funding, leaving less than $4 million to be committed as of the end of the reporting period.

The Government of Canada has concluded PT Base funding agreements with all 13 jurisdictions. Each agreement sets out the conditions relating to the submission of a jurisdiction's expenditure reports which are a requirement to flow federal funding. As such, the specific reporting timeframes can vary from one jurisdiction to another. For example, in August 2012, an agreement was amended to allow one jurisdiction to postpone the submission of its first expenditure report beyond fiscal year 2012-2013. Two other jurisdictions also experienced delays in submitting final versions of their expenditures reports by March 31, 2013, as planned. Infrastructure Canada has been working closely with all provinces and territories to resolve outstanding issues with delayed expenditures reports and it is expected that these will be submitted shortly, allowing federal funding to flow.

While provincial and territorial governments are responsible for meeting the reporting requirements, Infrastructure Canada will continue to work with them to ensure that the required reports are submitted in a timely fashion, and will provide guidance on any issues that may arise during the provincial or territorial audit that would potentially delay their report submissions and related payments.

An internal evaluation report completed in November 2012 confirmed that the PT Base Fund is managed effectively and efficiently, and is meeting the dual purpose set out for its design by contributing to the development and improvement of Canada's infrastructure base and by responding to fiscal balance consultations. The Evaluation of the Provincial-Territorial Infrastructure Base Fund - November 2012 report is available on Infrastructure Canada's website at:
http://www.infrastructure.gc.ca/pd-dp/eval/2012-ptbase-finbasept-eng.html.

2.2.2 Program: Gas Tax Fund
2012-2013 Main Estimates - $ 1,976,117,852

Stable, Predictable and Long-Term Funding for Municipalities

Program Description:

This program provides municipalities with predictable long-term funding, enabling local decision making in the building and rehabilitation of core public infrastructure. The federal government entered into Gas Tax Fund Agreements with provinces, territories, the Association of Municipalities of Ontario, the Union of British Columbia Municipalities, and the City of Toronto. These agreements establish an accountability framework allowing the Government of Canada to flow Gas Tax funding twice a year to signatories, which in turn flow funds to municipalities based on an agreed-upon allocation formula. For their part, municipalities decide which projects to prioritize within established investment categories. Projects focus on environmental objectives, including cleaner air, cleaner water and reduced greenhouse gas emissions, and increase communities' long-term planning capacities. Municipalities can pool, bank and borrow against this funding, providing significant additional financial flexibility. Eligible recipients are required to report annually on their use of funds and their compliance to terms and conditions of the Gas Tax Fund Agreements.

Financial Resources (in $ thousands)

Total Budgetary Expenditures (Main Estimates 2012-2013)	Planned Spending 2012-2013	Total Authorities (available for use) 2012-2013	Actual Spending (authorities used) 2012-2013	Difference 2012-2013
5,105,563	1,976,118	2,098,118	1,966,919	9,199

Human Resources (FTE)

Planned	Actual	Difference
11	16	(5)

Program Expected Results	Performance Indicators	Targets	Actual Results
Provinces, territories and municipal associations are accountable for funding provided to local governments through the Gas Tax Fund	Percentage of jurisdictions in compliance with annual expenditure reporting and periodic outcomes reporting requirements	100%	87%
Municipalities have access to stable and predictable funding to build and improve infrastructure	Amount of funding flowed to municipalities for spending on municipal infrastructure priorities (as a percentage of annual allocation)	95%	94%*
Gas Tax Fund promotes investments in environmentally sustainable municipal infrastructure	Value of spending on projects that contribute to a cleaner and sustainable environment and make communities more liveable is maintained or increased	$1.4 billion	$1.3 billion**

*Calculation is based on previous year amounts flowed to municipalities.
**Calculation is based on actual 2011-2012 spending reported by municipalities.

Performance Analysis and Lessons Learned

During 2012-2013, Infrastructure Canada provided provinces, territories and municipalities with stable and predictable Gas Tax funding. This funding continued to help build and improve public infrastructure that contributes to cleaner air, cleaner water and reduced greenhouse gas emissions.

Infrastructure Canada is working with provinces, territories and municipal associations where there is a delay in meeting reporting requirements. Delays have been the result of signatories working on audit requirements/interpretations, difficulty in obtaining information from smaller communities, and/or submitting incomplete reports.

The Department also continued to enhance controls to effectively manage the program and ensure recipient compliance with existing Gas Tax Fund requirements. By fiscal year end 2012-2013, the Gas Tax Fund surpassed $10 billion in federal funding transferred since

the program's inception in 2005. Funding under this program supports quality public transit, water, wastewater, solid waste, local roads and bridges, community energy systems and community capacity building, while improving a municipality's ability to plan.

In Budget 2012, the Government reconfirmed its commitment to working with the provinces, territories and the Federation of Canadian Municipalities (FCM) to develop a new long-term plan for public infrastructure. In the summer of 2012, Infrastructure Canada launched roundtable discussions for the long-term plan engagement process for public infrastructure beyond the expiry of the Building Canada Plan, which includes the Building Canada Fund and the Gas Tax Fund. Extensive consultations across the country were led by the Department with partners and stakeholders resulting in high-level recommendations in relation to the New Building Canada Plan and the renewed Gas Tax Fund.

Partners and stakeholders asked for more flexibility, more funding and a long-term plan. The Government responded by introducing the new plan in Economic Action Plan (EAP) 2013. EAP 2013 introduced the Community Improvement Fund, including a permanent, indexed Gas Tax Fund of $21.8 billion over ten years with an expanded list of investment categories. The Gas Tax Fund offers stable, predictable funding to support community infrastructure projects as well as longer-term infrastructure planning.

2.3 Programs under Strategic Outcome 2

2.3.1 Program: Building Canada Fund-Communities Component 2012-2013 Main Estimates - $251,814,397

Supporting the Infrastructure Needs of Smaller Communities

Program Description:

This program addresses the unique infrastructure pressures facing smaller communities with populations of less than 100,000. Projects are cost-shared with provincial, territorial and municipal governments, with each order of government generally contributing one-third of the eligible costs. The Building Canada Fund – Communities Component (BCF-CC) supports the construction, renewal and enhancement of basic infrastructure such as potable water, wastewater treatment, local roads and other infrastructure needs of small communities.[13]

13 As a result of the 2010 Strategic Review, Infrastructure Canada is saving $5.4 million on administration by improving the delivery of the BCF-CC. These funds are available for other Government of Canada priorities. No announced infrastructure projects have been cancelled or otherwise affected as a result of these funding reductions.

Financial Resources (in $ thousands)

Total Budgetary Expenditures (Main Estimates 2012-2013)	Planned Spending 2012-2013	Total Authorities (available for use) 2012-2013	Actual Spending (authorities used) 2012-2013	Difference 2012-2013
5,105,563	251,814	232,608	187,046	64,768

Human Resources (FTE)

Planned	Actual	Difference
16	16	0

Program Expected Results	Performance Indicators	Targets	Actual Results
Infrastructure Canada funding through the Building Canada Fund-Communities Component leverages investments in infrastructure by other partners	Funding leveraged from partners as a percentage of federal funding (committed)	200%	213%
Infrastructure is implemented that promotes a cleaner environment for smaller communities	Number/Value of projects completed that contribute to cleaner air, water and land and contribute to green energy	189 projects $734.3 million*	177 projects $539.7 million
Infrastructure is implemented that supports a competitive economy for smaller communities	Number/Value of projects completed that promote a stronger, competitive and sustainable economy	4 projects $7.2 million*	5 projects $8.4 million
Infrastructure is implemented that promotes liveable small communities	Number/Value of projects completed that improve the safety in communities and makes communities more liveable	417 projects $1.3 billion*	451 projects $1.2 billion

*Cumulative number/value of projects to be completed under the program, up to and including March 31, 2013.

Performance Analysis and Lessons Learned

During 2012-2013:

- 79 approved projects valued at $261 million were completed
- 40 additional approved projects worth $163 million began construction
- 272 projects worth more than $1.5 billion are still underway

In addition, as a result of available funding from cost savings and projects cancelled by proponents, Infrastructure Canada committed $7 million in federal funds to three new projects, leveraging an additional $19 million in infrastructure investment. Since the inception of the program in 2007, more than $1 billion of federal funding has been committed generating an additional $2.1 billion (more than doubling committed federal funding)

in infrastructure investment. Infrastructure Canada continues to support an additional 14 projects in Quebec funded through the Large Urban Centres Component of the Building Canada Fund through a federal allocation of $200 million.

Working with Federal Delivery Partners, through a Service Level Agreement, Infrastructure Canada continues to engage in joint program delivery with provincial partners in support of projects in communities with populations fewer than 100,000 persons. The largest categories of investments are wastewater infrastructure, water infrastructure and local road infrastructure.

Project Spotlight: Marystown Water Treatment Facility

Project location: **Marystown, Newfoundland-Labrador**

Enhancing drinking water treatment

Thanks to federal, provincial and municipal investments, a progressive new drinking water treatment plant is now in place in Marystown, a community of 5,500 people on Newfoundland's Burin Peninsula. The new plant has more storage capacity and uses modern technologies to enhance water quality. Marystown now meets all current provincial, municipal and federal drinking water quality guidelines. This project means the community can enjoy safe, reliable drinking water.

(photos courtesy of the Town of Marystown)

Federal contribution:	$4,000,000 under the Building Canada Fund – Communities Component.

2.3.2 Program: Building Canada Fund-Major Infrastructure Component 2012-2013 Main Estimates - $1,965,119,511

Supporting Nationally and Regionally Significant Projects

Program Description:

This program targets larger infrastructure projects of national or regional significance. It increases overall investment in public infrastructure and contributes to broad federal objectives: economic growth, a cleaner environment, and strong and prosperous communities. At least two-thirds of the funding is targeted to national priorities: water, wastewater, public transit, the core national highway system and green energy. The Building Canada Fund - Major Infrastructure Component (BCF-MIC) has 13 additional eligible categories of investment, and priority projects are identified through discussions with provinces. By providing federal funding on a cost-shared basis, it leverages additional contributions from other partners to increase overall investment in infrastructure.

Eligible recipients include provinces, local or regional governments and private sector bodies, including non-profit organizations. Projects must be supported by a business case and undergo a federal review against key program criteria.[14]

Financial Resources (in $ thousands)

Total Budgetary Expenditures (Main Estimates 2012-2013)	Planned Spending 2012-2013	Total Authorities (available for use) 2012-2013	Actual Spending (authorities used) 2012-2013	Difference 2012-2013
5,105,563	1,965,120	1,984,462	927,180	1,037,940

Human Resources (FTE)

Planned	Actual	Difference
32	44	(12)

Program Expected Results	Performance Indicators	Targets	Actual Results
Infrastructure Canada funding through the Building Canada Fund-Major Infrastructure Component leverages investments in infrastructure by other partners	Funding leveraged from partners as a percentage of federal funding (committed)	100%	222%
Large infrastructure is implemented that promotes a cleaner environment	Number/Value of projects completed that contribute to cleaner air, water and land and contribute to green energy	5 projects $147 million*	2 projects $20.4 million**
Large Infrastructure is implemented that supports a competitive economy	Number/Value of projects completed that improve efficiency and integration of Canada's transportation networks, expand broadband networks, and economic development	38 projects $3.3 billion*	27 projects $970 million**
Large Infrastructure is implemented that promotes liveable communities	Number/Value of projects completed that improve safety in communities and make communities more liveable	33 projects $2 billion*	15 projects $307 million**

*The target value of projects completed as cited in the 2012-2013 RPP has been corrected to reflect the total eligible costs of projects completed as intended.
**Calculated number/value of projects completed under the program, up to and including March 31, 2013.

14 As a result of the 2010 Strategic Review, Infrastructure Canada is saving $4.9 million on administration by improving the delivery of the BCF-MIC. These funds are available for other Government of Canada priorities. No announced infrastructure projects have been cancelled or otherwise affected as a result of these funding reductions.

Performance Analysis and Lessons Learned

In 2012-2013, Infrastructure Canada focused on project approvals and negotiating funding agreements. By March 31, 2013 more than $6.1 billion had been committed to a total of 167 projects, representing 91.4 percent of available project funding under the Building Canada Fund – Major Infrastructure Component. This funding is leveraging more than $13.6 billion from funding partners.

As of March 31, 2013, 107 projects were underway, with total eligible costs of $18.1 billion. The combined federal contribution for these projects is approximately $5.5 billion, leveraging over $12.6 billion from funding partners. At the end of fiscal year 2012-2013, a total of 46 projects were completed and 14 projects were in the review phase.

The total number/value of projects completed by project proponents was lower than the target as some of these large-scale and complex projects encountered delays and were not completed by year end as forecast. Typically, project delays occur as a result of inclement weather, technical and other construction-related complexities.

Infrastructure Canada will continue to oversee the implementation of project-specific agreements of the Building Canada Fund – Major Infrastructure Component, ensuring that the terms of agreements are respected and that claims for payment are processed efficiently.

2.3.3 Program: Green Infrastructure Fund
2012-2013 Main Estimates - $82,105,333

Investing in Environmental Infrastructure

Program Description:

This program supports environmental infrastructure projects that promote cleaner air, cleaner water and reduced greenhouse gas emissions. Targeted investments in green infrastructure can contribute to improving the quality of the environment and a more sustainable economy over the longer term. There are five eligible categories of investment: wastewater infrastructure, green energy generation infrastructure, green energy transmission infrastructure, solid waste infrastructure, and carbon transmission and storage infrastructure. By providing up to 50 percent federal funding on a cost-shared basis, the fund leverages additional investments from other partners. Eligible recipients include provinces, territories, local or regional governments, public sector bodies, other eligible non-profit organizations and private sector companies, either alone or in partnership with a province, territory or a government body.[15]

15 Detailed information on the transfers and amounts can be found in the Supplementary Information Tables of the 2012-2013 Departmental Performance Report at: http://www.infrastructure.gc.ca/pub/index-eng.html.

Financial Resources (in $ thousands)

Total Budgetary Expenditures (Main Estimates 2012-2013)	Planned Spending 2012-2013	Total Authorities (available for use) 2012-2013	Actual Spending (authorities used) 2012-2013	Difference 2012-2013
5,105,563	82,105	157,922	117,858	(35,753)

Human Resources (FTE)

Planned	Actual	Difference
11	18	(7)

Program Expected Results	Performance Indicators	Targets	Actual Results
Infrastructure Canada funding through the Green Infrastructure Fund leverages investments in infrastructure by other partners	Funding leveraged from partners as a percentage of federal funding (committed)	100%	176%
Infrastructure is implemented that supports cleaner air, cleaner water and cleaner land	Number/Value of projects completed that reduce environmental impacts to air, water and land	1 project* $71 million*	1 project $71 million**

*The target number/value of projects completed as cited in the 2012-2013 RPP has been corrected to reflect the correct number and total eligible costs of projects completed as intended.
**Calculated number/value of projects completed under the program, up to and including March 31, 2013.

Performance Analysis and Lessons Learned

In 2012-2013, Infrastructure Canada focused on project approvals and negotiating funding agreements. By March 31, 2013, all remaining project funding under the Green Infrastructure Fund was effectively allocated. Since the inception of the program, the federal funding that has been committed is leveraging more than $1.1 billion from funding partners.

As of March 31, 2013, 12 projects were underway, with total eligible costs of $967 million. The combined federal contribution to these projects is over $363 million, leveraging approximately $604 million from funding partners. At the end of fiscal year 2012-2013, one project had been completed and six projects were in the review phase.

Infrastructure Canada will continue to oversee the implementation of project-specific agreements of the Green Infrastructure Fund, ensuring that the terms of agreements are respected and that claims for payment are processed efficiently.

2.3.4 Program: Canada Strategic Infrastructure Fund 2012-2013 Main Estimates - $410,882,148

Enhancing Quality of Life and Economic Prosperity

Program Description:

This program supports projects that sustain economic growth and enhance the quality of life of Canadians. Investments are made in cooperation with the provinces, territories, municipalities, and the private sector, and contribute to the construction, renewal and/or enhancement of public infrastructure. The Canada Strategic Infrastructure Fund (CSIF) leverages additional contributions from other partners by providing up to 50 percent funding for eligible projects.[16]

Financial Resources (in $ thousands)

Total Budgetary Expenditures (Main Estimates 2012-2013)	Planned Spending 2012-2013	Total Authorities (available for use) 2012-2013	Actual Spending (authorities used) 2012-2013	Difference 2012-2013
5,105,563	410,882	357,154	241,178	169,704

Human Resources (FTE)

Planned	Actual	Difference
7	12	(5)

Program Expected Results	Performance Indicators	Targets	Actual Results
Infrastructure Canada funding through the Canada Strategic Infrastructure Fund leverages investments in infrastructure by other partners	Funding leveraged from partners as a percentage of federal funding (committed)	100%	215%
Large-scale Infrastructure is implemented that supports a competitive economy	Number/Value of projects completed that promote a stronger, competitive and a sustainable economy	35 projects $4.3 billion*	34 projects $4.3 billion
Large-scale infrastructure is implemented that supports liveable communities	Number/Value of projects completed that contribute to liveable communities	13 projects $3.7 billion*	9 projects $2.5 billion
Large-scale infrastructure is implemented that promotes a cleaner environment	Number/Value of projects completed that contribute to environmentally sustainable treatment of wastewater	12 projects $1.2 billion*	8 projects $547 million

*Cumulative number/value of projects to be completed under the program, up to and including March 31, 2013. A portion of the federal contribution for CSIF projects is coming from other federal sources such as the Building Canada Fund and the Municipal Rural Infrastructure Fund.

16 Of the $4.3 billion originally allocated to the CSIF, approximately $50 million has been transferred to Parks Canada Agency to support a high priority infrastructure project. These funds were reallocated through Estimates processes prior to 2012-2013.

Performance Analysis and Lessons Learned

During 2012-2013, the Department continued to monitor the progress of projects. The Department collaborated with partners and stakeholders to extend the program's terms and conditions, to amend individual project funding agreements and to allow sufficient time for recipients to complete all projects. Eight projects worth $541.5 million were completed by project proponents during the reporting period. This is fewer than forecasted. Delays were caused by inclement weather, technical and other construction-related issues. The Department continues to oversee project completion and their close out using consistent monitoring and review procedures.

Since the inception of the program, Infrastructure Canada has committed more than $4.3 billion in federal funding to 75 projects, generating about $8.4 billion in investment from funding partners. The largest categories of investments in terms of the number of funded projects are highway/rail infrastructure, urban development and water/sewage treatment infrastructure. So far, 51 projects have been completed under the program, improving infrastructure across the country.

2.3.5 Program: Municipal Rural Infrastructure Fund
2012-2013 Main Estimates - $96,549,837

Long-Term Commitment to Communities

Program Description:

This program supports small-scale municipal infrastructure projects designed to promote and improve quality of life in both urban and rural communities. The program initially provided $1 billion in federal funding and was augmented with an additional $200 million in Budget 2007. At least 80 percent of funding under the program has been dedicated to municipalities with a population of less than 250,000. For most projects, the Municipal Rural Infrastructure Fund (MRIF) provides up to one-third federal funding for eligible projects. Its long-term commitment to public infrastructure helps promote sustainable economic growth, innovation and healthy communities. Projects contribute to the construction, renewal and/or enhancement of public infrastructure to build capacity in partnership with recipients. It is delivered through a partnership with federal regional development agencies.[17]

17 As a result of the 2010 Strategic Review, $23 million in unallocated funds from MRIF was reallocated to other Government priorities. These funds were removed from departmental reference levels through Estimates processes prior to 2012-2013. No projects have been cancelled or otherwise affected as result of this reallocation.

Financial Resources (in $ thousands)

Total Budgetary Expenditures (Main Estimates 2012-2013)	Planned Spending 2012-2013	Total Authorities (available for use) 2012-2013	Actual Spending (authorities used) 2012-2013	Difference 2012-2013
5,105,563	96,550	58,471	36,719	59,831

Human Resources (FTE)

Planned	Actual	Difference
6	9	(3)

Program Expected Results	Performance Indicators	Targets	Actual Results
Infrastructure Canada funding through the Municipal Rural Infrastructure Fund leverages investments in infrastructure by other partners	Funding leveraged from partners as a percentage of federal funding (committed)	200%	258%
Small-scale infrastructure is implemented that supports a competitive economy for rural and urban communities	Number/Value of projects completed that promote a stronger, competitive and a sustainable economy	22 projects $74.4 million*	21 projects $72.4 million
Small-scale infrastructure is implemented that promotes liveable rural and urban communities	Number/Value of projects completed that contribute to liveable communities	1,459 projects $2.2 billion*	1,374 projects $1.9 billion
Small-scale infrastructure is implemented that promotes a cleaner environment for rural and urban communities	Number/Value of projects completed that contribute to a cleaner environment	406 projects $1.1 billion*	375 projects $991.7 million

*Cumulative number/value of projects to be completed under the program, up to and including March 31, 2013.

Performance Analysis and Lessons Learned

During 2012-2013, in collaboration with Federal Delivery Partners, the Department continued to deliver the program with provincial and territorial partners, resulting in 45 projects valued at $212 million completed in this reporting period. This brings the total number of completed projects to 1,770, with a total value of $3 billion.

Since the inception of the program, Infrastructure Canada has committed more than $988 million in federal funding to 1,917 projects generating an additional $2.5 billion in investments from funding partners. The largest categories of investments, in terms of total eligible costs, are water ($964 million) and wastewater infrastructure ($962 million).

2.3.6 Program: Border Infrastructure Fund
2012-2013 Main Estimates - $41,837,914

Improving Canada's Border Crossings

Program Description:

This program provides funding for investments in physical infrastructure, transportation system infrastructure and improved analytical capacity at the largest surface border crossings between Canada and the United States, as well as several other crossing points in Canada. Established in 2002, the Border Infrastructure Fund (BIF) provides up to 50 percent federal funding to support eligible projects at Canada's border crossings. Transport Canada is the federal delivery partner for this program.[18]

Financial Resources (in $ thousands)

Total Budgetary Expenditures (Main Estimates 2012-2013)	Planned Spending 2012-2013	Total Authorities (available for use) 2012-2013	Actual Spending (authorities used) 2012-2013	Difference 2012-2013
5,105,563	41,838	28,782	8,099	33,739

Human Resources (FTE)

Planned	Actual	Difference
1	3	(2)

Program Expected Results	Performance Indicators	Targets	Actual Results
Infrastructure Canada funding through the Border Infrastructure Fund leverages investments in infrastructure by other partners	Funding leveraged from partners as a percentage of federal funding (committed)	100%	100%
Transportation system infrastructure is implemented that improves the flow of people and goods at the border crossings	Number/Value of transportation systems projects completed that improve the efficiency and capacity at border crossings	9 projects $610 million*	9 projects $639.0 million

*Cumulative number/value of projects to be completed under the program, up to and including March 31, 2013.

18 Of the $600 million originally allocated to the BIF, approximately $18 million has been transferred to Canada Border Services Agency for border projects. These funds were reallocated through the Estimates prior to 2012-2013.
As part of the 2010 Strategic Review, $10.4 million in unallocated funds from the Border Infrastructure Fund was identified for reallocation to other Government priorities. Prior to 2012-2013, $5.2 million was removed from departmental reference levels through the 2011-2012 Supplementary Estimates. An additional $5.2 million was removed through the 2012-2013 Main Estimates. No projects have been cancelled or otherwise affected as result of this reallocation.

Performance Analysis and Lessons Learned

As of March 31, 2013, a total of nine projects under the Border Infrastructure Fund have been completed, representing 100 percent of the planned target. The ninth project was completed in fiscal year 2012-2013 with a total value of $15 million.

Since the inception of the program, the federal government has announced support for 13 border improvement infrastructure projects, generating $1.2 billion in infrastructure investment from its partners.

2.3.7 Program: Economic Analysis and Research
2012-2013 Main Estimates - $3,797,292

Supporting Delivery and Management of Infrastructure Programs

Program Description:

This program helps to ensure that Canada's infrastructure investment priorities and activities include the building, connecting and sharing of applied knowledge and research on infrastructure issues, projects and programs. It targets key gaps in infrastructure knowledge and information, promotes the development of an enhanced evidence base for sound decision making at all levels of government, and contributes to improved measurement of the impacts of infrastructure policy and investment decisions. This program activity supports strategic research capacity and knowledge generation and applications at the national level, as well as cooperation with other levels of government in addressing their unique research and capacity-building needs. It leverages research resources and expertise across various levels of government and stakeholder groups to address the infrastructure challenges and proposed solutions for Canada's economy, environment and community.[19]

Financial Resources (in $ thousands)

Total Budgetary Expenditures (Main Estimates 2012-2013)	Planned Spending 2012-2013	Total Authorities (available for use) 2012-2013	Actual Spending[20] (authorities used) 2012-2013	Difference 2012-2013
5,105,563	3,797	3,877	80	3,717

Human Resources (FTE)

Planned	Actual	Difference
27[21]	0	27

19 As part of the 2010 Strategic Review, more than $35.7 million in unallocated funds from the Economic Analysis and Research program was identified for reallocation to other Government priorities. Prior to 2012-2013, $20.2 million was removed from departmental reference levels through Supplementary Estimates. An additional $4.5 million was removed through the 2012-2013 Main Estimates with the balance removed in the 2013-2014 Main Estimates.

20 Actual Spending under this program included Contributions only, related to the long-term plan engagement process, and therefore there were no Operating and Maintenance costs.

21 The planned FTE of 27 was based on the planned requirements up to that time, prior to the start of fiscal year 2012-2013. After the 2012-2013 Report on Plans and Priorities was tabled, funds under this program were reallocated to other Government priorities, and as a result, FTEs were reassigned to other priority programs during fiscal year 2012-2013.

Program Expected Results	Performance Indicators	Targets	Actual Results
Outreach, engagement and consultation with provinces/ territories and stakeholders in all aspects of infrastructure	Number of engagement activities that examine the impacts of investments, state of infrastructure across the nation, and future infrastructure needs (includes conferences, roundtables, workshops, seminars and committee meetings)	N/A*	35
Infrastructure knowledge, policy development and partnership across all levels of government and amongst stakeholder groups	Number of products developed for dissemination of information on investments and state of infrastructure (includes thematic papers, brochures and other communication products)	N/A*	19
	Number of research studies published to inform and guide the long-term infrastructure plan	N/A*	6

*Details of the work activities for the Long-Term Infrastructure Plan engagement process (launched November 2011) were not available when the 2012-2013 Performance Measurement Framework was finalized (September 2011).

Performance Analysis and Lessons Learned

In Budget 2012, the Government of Canada reconfirmed its commitment to working with partners and stakeholders to develop a long-term plan for public infrastructure that extends beyond the expiry of the Building Canada plan in 2014.

Over the summer of 2012, Infrastructure Canada led a long-term plan engagement process, meeting with provinces, territories, municipalities, municipal associations and other stakeholders to reflect on past accomplishments, to build knowledge, and to discuss the broad principles of a future long-term plan. This work included a series of 14 ministerial roundtable meetings held across the country, bilateral meetings with provinces and territories at the officials' level, and an invitation for interested parties to provide written submissions on the plan.

2.4 Program: Internal Services
2012-2013 Main Estimates - $43,946,941

Program Description:

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are: Management and Oversight Services, Communications Services, Legal Services, Human Resources Management Services, Financial Management Services, Information Management Services, Information Technology Services, Real Property Services, Material Services, Acquisition Services, and Travel and Other Administrative Services. Internal Services include only those activities and resources that apply across an organization and not to those provided specifically to a program.

Financial Resources (in $ thousands)

Total Budgetary Expenditures (Main Estimates 2012-2013)	Planned Spending 2012-2013	Total Authorities (available for use) 2012-2013	Actual Spending (authorities used) 2012-2013	Difference 2012-2013
5,105,563	43,947	44,866	29,966[22]	13,981

Human Resources (FTE)

Planned 2012-2013	Actual 2012-2013	Difference 2012-2013
216	200	16

Performance Summary

The results achieved for Internal Services are focused on the activities below, which will strengthen the enabling services that support the Department in its mandate.

Management and Oversight Services

Internal Audit and Evaluation:[23]

During 2012-2013, the Audit and Evaluation Branch:

- Completed three audits based on the approved risk-based audit plan and reported the results to the external Audit Committee:
  - Audit of Human Resources Management – Payroll Administration,
  - Audit of Infrastructure Stimulus Fund, and
  - Audit of Canada Strategic Infrastructure Fund.
- Completed two evaluations based on the approved evaluation plan and reported the results to the Evaluation Committee:
  - Evaluation of the Provincial-Territorial Infrastructure Base Fund, and
  - Evaluation of Infrastructure Canada's Economic Action Plan initiatives.
- Periodically followed up on and assessed the implementation of outstanding audit and evaluation recommendations, and reported the results to the external Audit Committee and Evaluation Committee respectively.

Risk Management

During 2012-2013, the Department:

- Ensured that the 2012 Corporate Risk Profile continued to adequately reflect the risks associated with changing risk factors and progress achieved in implementing risk responses;

22 Historically, costs reported under Internal Services have included spending related to departmental programs, including spending related to the Shared Information Management System for Infrastructure. Beginning in fiscal year 2012-2013, spending related to specific infrastructure programs were reported against the program accordingly.

23 Information on audit and evaluation activities for each transfer payment program is provided under items 17 and 18 of the Details of Transfer Payment Programs section of the Supplementary Information Tables.

- Communicated significant risks to senior management for consideration in both the decision-making and planning processes within the Department; and
- Published a series of risk management articles to promote a common understanding of risk concepts within the Department.

Communications Services

During 2012-2013, the Department continued to tell Canadians and stakeholders the story of federal infrastructure investments, activities and results, nationally and locally. Specifically, the Department:

- Completed 215 media announcements;
- Responded to 130 enquiries from the media and 784 from the public;
- Revamped the Department's internet site at: http://www.infrastructure.gc.ca, to meet the government's web accessibility and usability standards, and ensured the site continued to feature easy-to-find information about Infrastructure Canada's programs and projects;
- Produced and disseminated over 190 stories about projects across Canada on its website and in various reports;
- Contributed to 42 blogs, videos and photo compilations;
- Provided communications support to the Minister's roundtable meetings with the partners and stakeholders as part of the Long-Term Infrastructure Plan engagement process;
- Coordinated the production of 15 e-publications that highlighted recent infrastructure investments and results, also as part of the engagement process; and
- Promoted Infrastructure Canada programs to about 8,000 delegates through information booths at six major conferences.

Human Resources Management Services

During 2012-2013, the Department:

- Delivered on its Integrated Business and Human Resources Plan (IBHRP) and people management priorities and strategies to support recruitment and staffing, learning and development, workplace well-being, performance management and recognition, and a representative workforce;
- Continued to implement Infrastructure Canada's Learning Strategy, which is designed to promote a strong learning culture;
- Continued to focus on employee development through talent management and provided targeted, relevant and innovative learning opportunities; and
- Supported and determined operating efficiencies related to the internal budget reduction exercise.

Financial Management Services

During 2012-2013, the Department:

- Continued to strengthen the overall effectiveness of its financial management by:
  - Continuing to implement the Department's Action Plan for the Policy on Internal Control (PIC), including the assessment of design effectiveness of internal controls over financial reporting (ICFR), and associated quality assurance processes. Assessments under PIC are planned on a three-year cycle, and as Infrastructure Canada was part of a third wave of departments to implement the policy, a complete assessment is expected to be complete by March 31, 2014; and
  - Refining and using the departmental Corporate Costing Model to support the determination of ongoing departmental operating requirements for 2014-2015 and beyond.
- Supporting and determining operating efficiencies related to the internal budget reduction exercise.

Information Management/Information Technology:

During 2012-2013, the Department:

- Ensured appropriate support in the area of information management/information technology (IM/IT) services through two continuing projects that were initiated to improve the Shared Information Management System for Infrastructure (SIMSI). These projects contribute to risk mitigation strategies identified for data management and reporting. The first project focuses on integrating a project management module for major infrastructure programs with the existing Financial Planning and Analysis Application in order to improve the user interface, avoid data duplication, reduce costs and streamline technology in the Department. The second project, the Enterprise Data Warehouse Re-Engineering project, will lead to improved data quality, the ability to provide cross-program reporting, and reduced ongoing maintenance costs. Both projects will be completed in 2013-2014;
- Took measures to facilitate the transition to the Shared Services Canada (SSC) environment by adapting processes for e-mail, data centre hosting and telecommunications services and by transferring associated funding. The Department worked closely with SSC throughout the year, focusing on maintaining levels of service, driving down costs, and planning for the migration of SIMSI from private sector hosting to a federal data centre; and
- Delivered on plans to continue to invest strategically in its IM/IT tools and initiatives, specifically in implementing software applications to facilitate information sharing and standardized systems across the Department. It completed the introduction of a standard desktop computing platform, with up-to-date productivity suites and e-mail software. Industry-standard tools were also introduced to improve security and to monitor corporate asset use in the Department. To reduce costs, the use of applications that were not aligned with broader standardization efforts across government was eliminated.

Access to Information and Privacy Services:

During 2012-2013, the Department:

- Ensured timely responses to *Access to Information and Privacy Act* (ATIP) inquiries through adequate resourcing and ongoing training for employees. Specifically, the Department:
  - Responded to 90 percent of requests within statutory time limits as prescribed by the Access to Information and Privacy Act, despite the significant increase in volume of pages to review;
  - Submitted annual statistical reports, reports to Parliament prior to tabling deadlines, and updates to the Department's Info Source descriptions;
  - Completed a comprehensive Privacy Management Framework including the development of Privacy Awareness training for all employees; and
  - Increased internal capacity by hiring a full-time indeterminate employee.

Section III: Supplementary Information

3.1 Financial Highlights

Condensed Statement of Operations and Departmental Net Financial Position (Unaudited) For the Year Ended March 31, 2013 (in $ thousands)					
	2012-2013 Planned Results	**2012-2013 Actual**	**2011-2012 Actual**	**$ Change (2012-2013 Planned vs. Actual)**	**$ Change (2012-2013 Actual vs. 2011-2012 Actual)**
Total expenses	5,086,933	3,750,210	4,418,965	1,336,723	(668,755)
Total revenues	-	-	-	-	-
Net cost of operations before government funding and transfers	5,086,933	3,750,210	4,420,565	1,336,723	(670,355)
Departmental net financial position	-	2,808	32,190	-	(29,382)

Condensed Statement of Financial Position (Unaudited) As at March 31, 2013 (in $ thousands)			
	2012-2013	**2011-2012**	**$ Change**
Total liabilities	411,113	696,796	(285,683)
Total financial assets	407,886	723,818	(315,932)
Departmental net debt	3,227	(27,022)	(30,249)
Total non-financial assets	6,035	5,168	867
Departmental net financial position	2,808	32,190	(29,382)

The sources of revenue are proceeds from crown assets disposals, from other fees such as Access to Information and Privacy requests, and from other miscellaneous revenue such as rebates on departmental acquisition cards.

3.2 Financial Statements

Infrastructure Canada's financial statements can be found on the departmental website at: http://www.infrastructure.gc.ca/pub/fs-ef/fs-ef-2013-eng.html.

3.3 Supplementary Information Tables

The following supplementary information tables are available electronically on Infrastructure Canada's website at: http://www.infrastructure.gc.ca/pub/index-eng.html.

- Details of Transfer Payment Programs
- Horizontal Initiatives
- Greening Government Operations
- Response to Parliamentary Committees and External Audits
- Internal Audits and Evaluations

3.4 Tax Expenditures and Evaluations Report

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance publishes cost estimates and projections for these measures annually in the *Tax Expenditures and Evaluations* publication at: http://www.fin.gc.ca/purl/taxexp-eng.asp. The tax measures presented in the publication are the sole responsibility of the Minister of Finance.

Section IV: Other Items of Interest

4.1 Organizational Contact Information

For more information about the department, please visit www.infrastructure.gc.ca or contact:

Infrastructure Canada
180 Kent Street, Suite 1100
Ottawa, Ontario
K1P 0B6

National information line on infrastructure: 613-948-1148

Telephone toll free: 1-877-250-7154
TTY #: 1-800-465-7735

For more information about infrastructure programs, please visit www.infrastructure.gc.ca.